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Memorandum

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TO

POL Files

Amembassy Buenos Aires

FROM

POL - Townsend B. Friedman

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SUBJECT:

Meeting with Rosendo Fraga

C - ENTIRE TEXT.

I met with Liendo's political advisor, Rosendo Fraga, October 29. Some high points follow:

The Current Situation: Fraga offered the judgement that Argentina was entering a period of political jitters similar to that it had experienced last June and July. Political and economic phenomena were the same as several months ago. In addition, there were added "social" factors -- a reference to the several public demonstrations of the past week or so. He said that one difference today was that Galtieri, who was seen as an alternative to Viola in June and July, is today more and more accepted as Viola's eventual successor in 1984.

The Peronist No To Dialogue: Fraga put an upbeat gloss on the Peronist failure to meet with Minister of Interior Liendo, as announced. Fraga said it was a postponement rather than a rejection. majority of Peronist leaders, including Lorenzo Miguel, on the level of the National Council want to meet formally with Liendo. The minority carried the day because the majority, he cited particularly Miguel and Bittel, cannot get along with each other. Fraga stated that Massera was one of the men who influenced the Peronist no, adding that Sobrino Aranda is working closely with Massera (I thought Sobrino was closest to Galtieri at this point).

The Peronist Future: There is no doubt in Fraga's mind that the Peronists will eventually divide. The question, he said, is where the split will come. In the middle or close to one of the extremes. Re Peronist factions,

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in the course of a talk he showed me a large political chart done for one of Liendo's briefings. The chart had the Peronists broken down into six factions.

The Political Future: Fraga again announced his faith that Viola's road to democracy was the only conceivable road for Argentina. I asked him what the goal finally was -- to build new political parties; to stay with the present ones, etc. He recalled one of our first conversations in which he described three large political forces in the country -- a left composed of the left wing of the Peronists and the communists, a large majoritarian center composed of the Radicals and the rest of Peronism, and a right, grouped around the conservative regional parties. He said that this political panorama was the unchanging goal for the GOA, as far as he is concerned. He was sure that Liendo and Viola shared his outlook, he added. He said that the idea of some military men and conservatives to form a party is a sound one, so long as they do not plan on it being the heir to the "process." Such an officialista force is doomed to failure, he suggested.

The Beagle: Fraga continues to see a settlement with the Brits on the Falklands as a reachable goal in the near future. More than that, he sees it as an alternative to progress on the Beagle, where he expects none. I do not know who is telling him a Malvinas settlement -with Falklander to Argentine sovereignty -- is a realistic near-term goal, but Fraga really believes it.

Galtieri: The Army CINC is very susceptible to U.S. influence. What the USG says to him has great influence on what he does.

POLCOUNS: JFKing

cc: AMB

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